

March 5, 2024

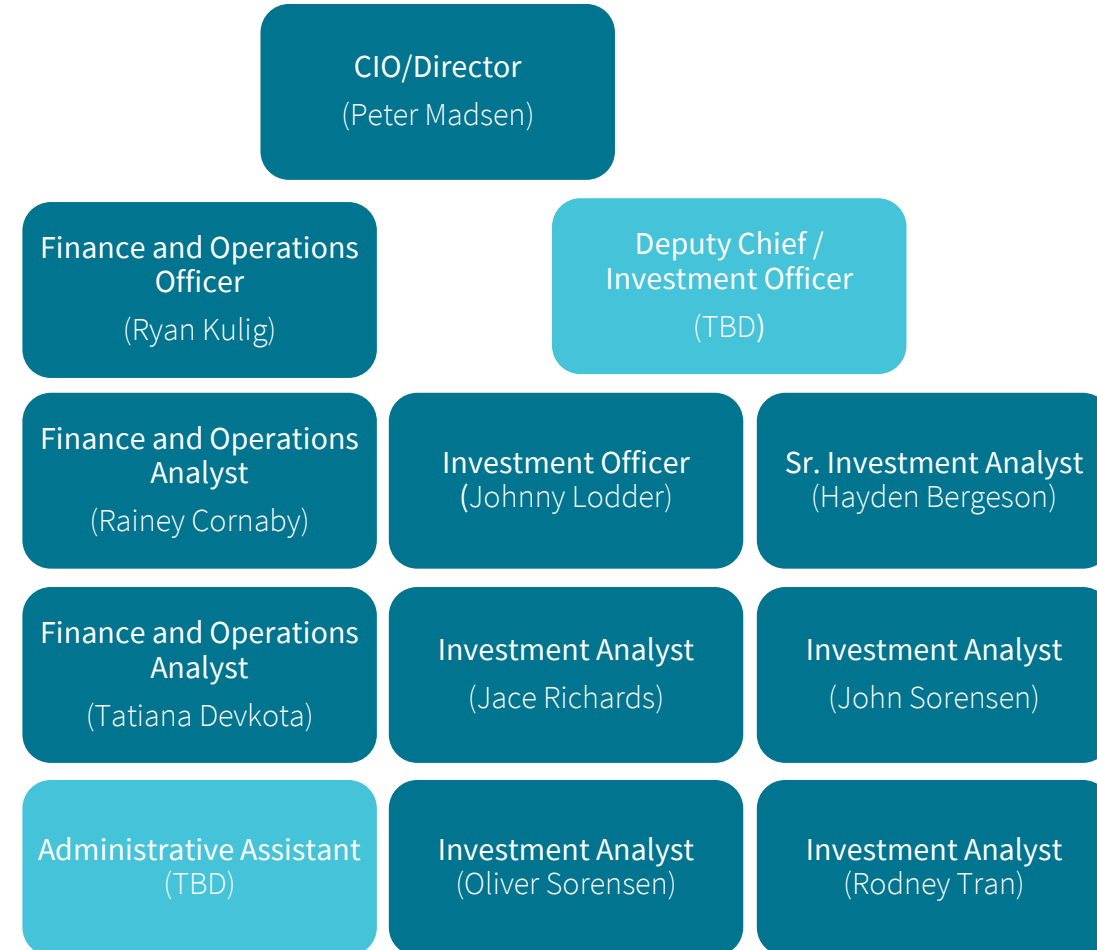


Protection & Advocacy Committee

School and Institutional Trust Funds Office

Organizational

- Team updates



FYTD 2024 Budget Summary

Summary	Q1 FY2024			Q2 FY2024			Q3 FY2024			Q4 FY2024			FY 24 Annual		
	Forecast	Actuals	Over / (Under)	Forecast	Actuals	Over / (Under)	Forecast	Outlook as of February	Over / (Under)	Forecast	Outlook as of February	Over / (Under)	Forecast	Outlook as of February	Over / (Under)
AA Personnel Services	466,712	432,386	(34,325)	554,548	458,405	(96,143)	656,511	634,887	(21,623)	703,405	716,794	13,389	2,381,176	2,242,472	(138,705)
BB Travel/In State	326	293	(34)	326	938	612	326	139	(188)	326	163	(164)	1,305	1,533	228
CC Travel/Out of State	24,551	10,383	(14,169)	24,551	15,252	(9,299)	24,551	16,617	(7,934)	24,551	24,551	-	98,204	66,802	(31,401)
DD Current Expense	81,068	92,513	11,441	81,068	105,536	24,464	81,068	70,950	(10,120)	81,068	79,818	(1,250)	324,273	348,817	24,540
EE Data Processing Exp	20,397	14,439	(5,957)	20,397	15,424	(4,973)	20,397	21,674	1,277	20,397	20,397	-	81,587	71,934	(9,654)
GG Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HH Other Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSE	593,054	550,014	(43,040)	680,891	595,554	(85,336)	782,853	744,266	(38,587)	829,747	841,722	11,975	2,886,545	2,731,557	(154,988)
BUDGET APPROPRIATION	780,748	780,748	-	836,687	836,687	-	948,563	948,563	-	1,004,502	1,004,502	-	3,570,500	3,570,500	-
DIFFERENCE	(187,694)	(230,734)		(155,796)	(241,132)		(165,710)	(204,297)		(174,755)	(162,780)		(683,955)	(838,943)	

Legend

FY2024: 7/1/2023 - 6/30/2024	Q1FY24: July 1, 2023 - Sept 30, 2023	Q2FY24: Oct 1, 2023 - Dec 30, 2023	Q3FY24: Jan 1, 2024 - March 31, 2024	Q4FY24: Apr 1, 2024 - June 30, 2024
Above/Below Forecast	\$10,000+ Under Forecast	\$5,000-\$9,999 Under Forecast	\$5,000-\$9,999 Above Forecast	\$10,000+ Above Forecast
Budget Appropriation	Budget limit approved by the Legislature			
Forecast	Fixed forecast set at the beginning of the fiscal year to estimate what SITFO intends to spend in each category			
Outlook	Dynamic dollar amount based on expected spend, revisited quarterly to provide more up to date estimates			
Actuals	Amount SITFO spent in each category			

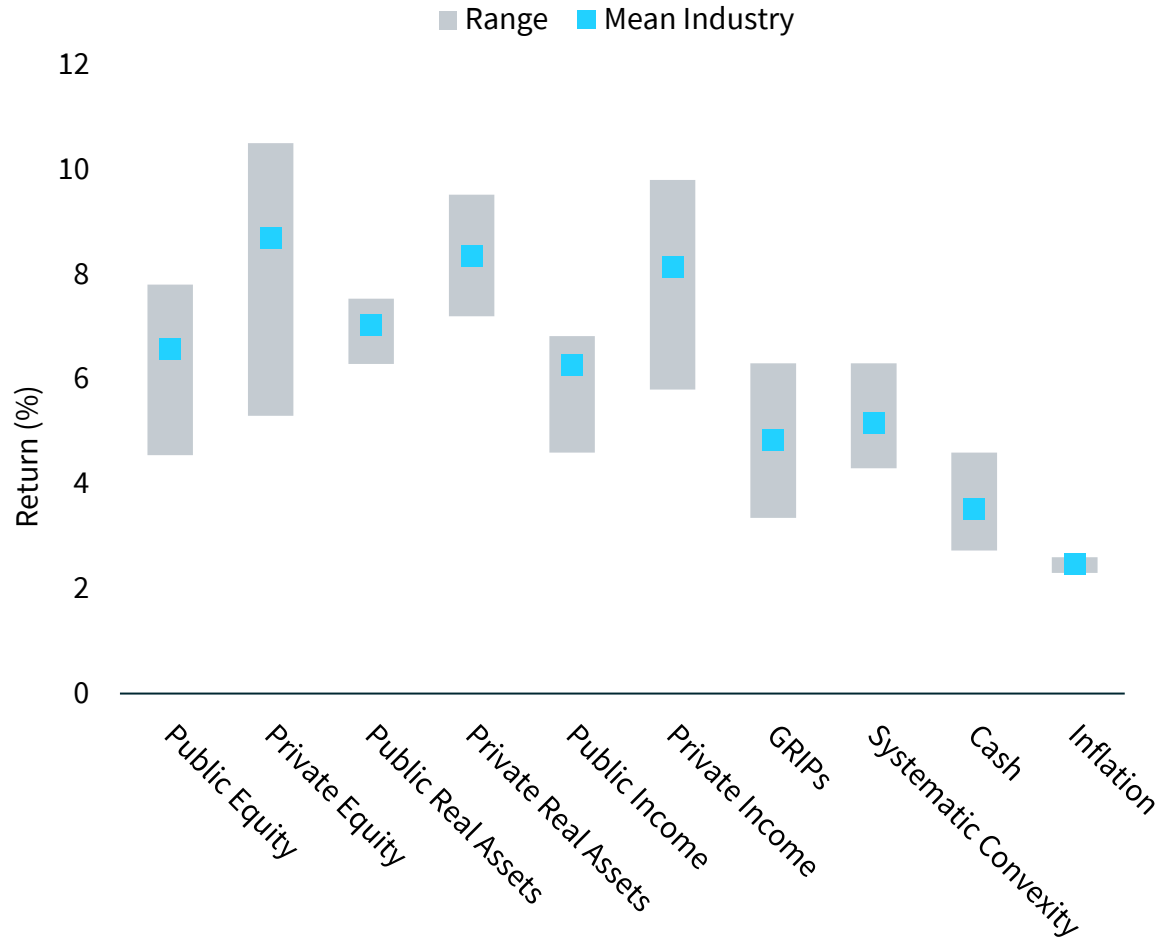
- **Investment consulting contracts renewed**
 - Board of Trustees responsible for hiring and paying of consultants (53D-1-303)
 - SITFO staff has reviewed contract terms and recommended to utilize second of two previously negotiated 1-year extensions on current contracts for both RVK and Albourne, extending contracts to spring 2025

Investment Performance & Risk

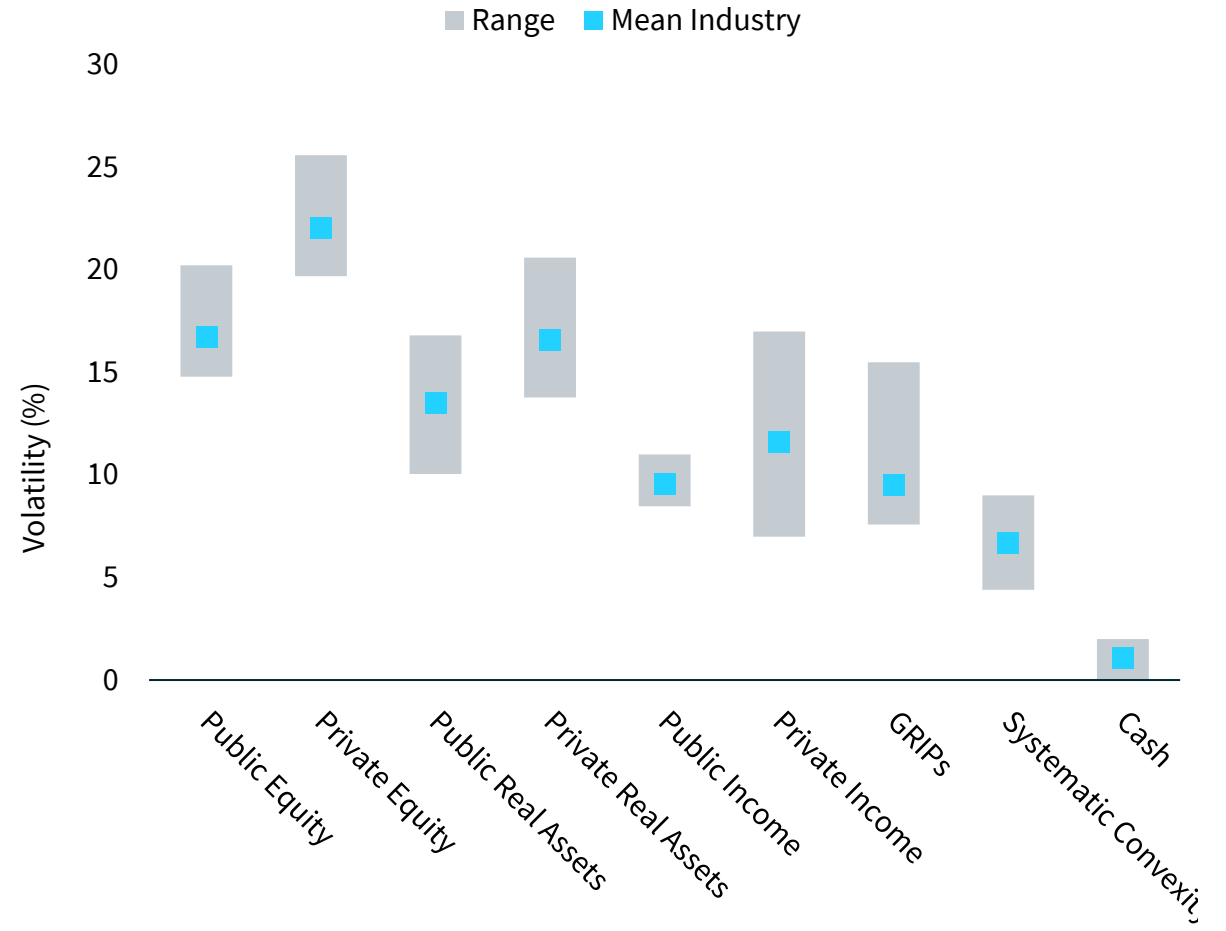


	Allocation		Performance(%)									
	Market Value (\$)	%	10 Years	5 Years	3 Years	1 Year	FYTD	CYTD	QTD	MTD	Since Incep.	Inception Date
Total Fund	3,501,277,567	100.00	5.94	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.84	07/01/2003
Consumer Price Index+5%			7.97	9.40	10.95	8.31	5.07	1.99	1.99	1.03	7.70	
Difference			-2.03	-2.80	-5.07	1.19	1.38	0.37	0.37	1.12	-0.86	
Total Fund Interim Target Index			6.43	7.49	5.34	10.26	5.82	1.53	1.53	1.57	7.05	
Difference			-0.49	-0.89	0.54	-0.76	0.63	0.83	0.83	0.58	-0.21	
Plans												
School Fund Total Fund	3,278,765,620	93.64	5.96	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.87	07/01/2003
Deaf School Fund Total Fund	4,529,897	0.13	5.68	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.43	07/01/2003
Industrial School Total Fund	9,049,461	0.26	5.43	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.22	07/01/2003
Institute for the Blind Total Fund	24,493,032	0.70	5.76	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.72	07/01/2003
Miners Hospital Total Fund	95,835,155	2.74	5.58	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.23	07/01/2003
Normal School Total Fund	9,135,434	0.26	5.36	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.19	07/01/2003
Reservoirs Fund Total Fund	23,210,384	0.66	5.46	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.31	07/01/2003
School of Mines Total Fund	11,387,388	0.33	5.64	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.53	07/01/2003
University of Utah Total Fund	13,481,102	0.39	5.72	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.40	07/01/2003
Utah State Hospital Total Fund	9,362,632	0.27	5.37	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.12	07/01/2003
Utah State University Total Fund	22,027,462	0.63	6.00	6.60	5.88	9.50	6.45	2.36	2.36	2.15	6.52	07/01/2003

CMA Return Assumptions



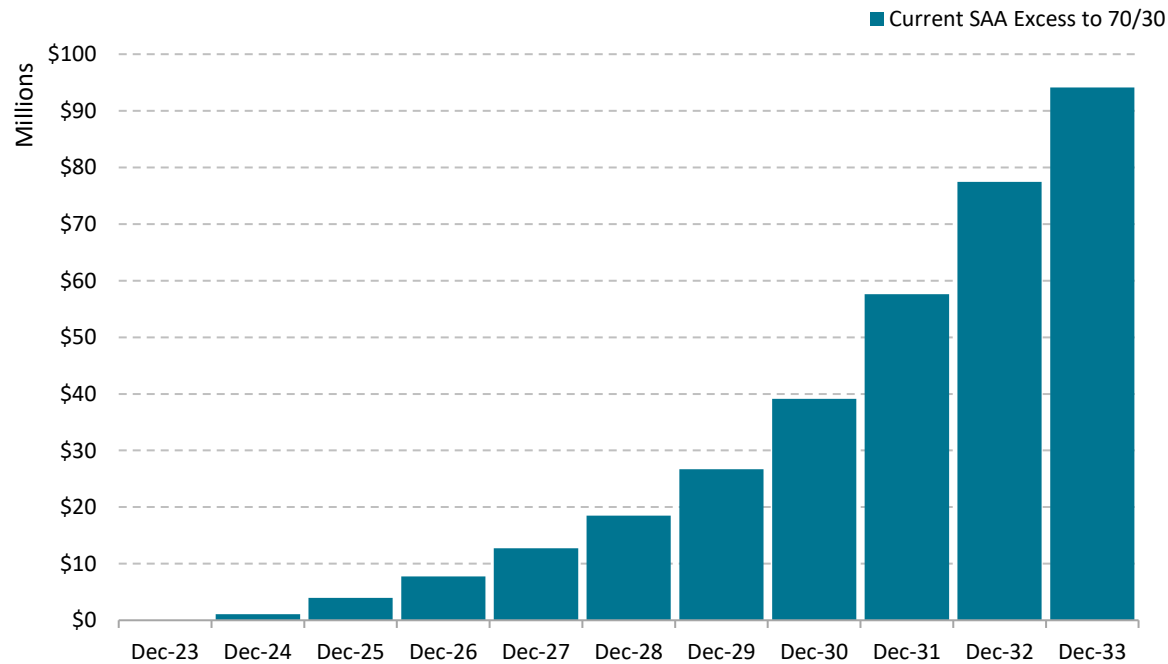
CMA Volatility Assumptions



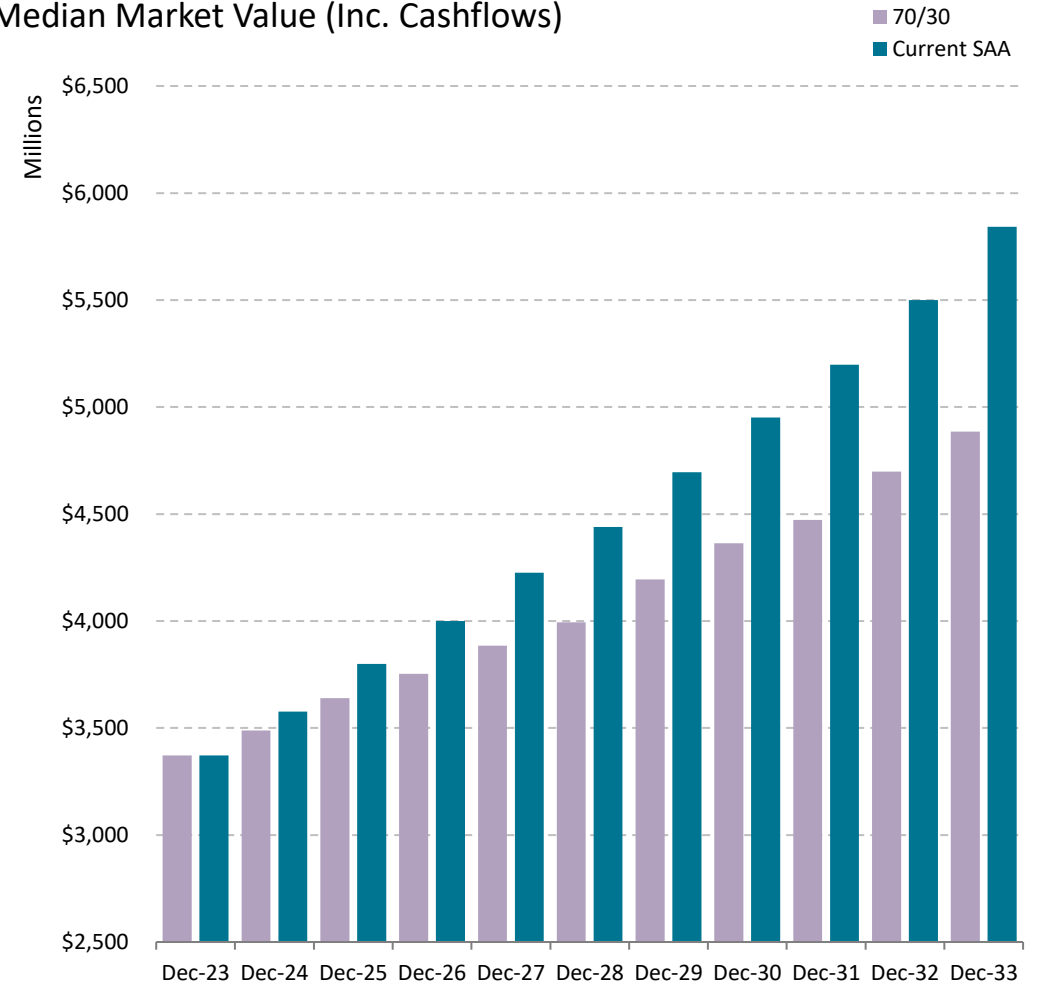
*CMA returns are geometric

- Using simulated projections, the median outcome has the current SAA distributing \$94 million more than a 70/30 portfolio over a 10-year horizon and approximately \$1B additional portfolio value.

Median Cumulative Distribution



Median Market Value (Inc. Cashflows)

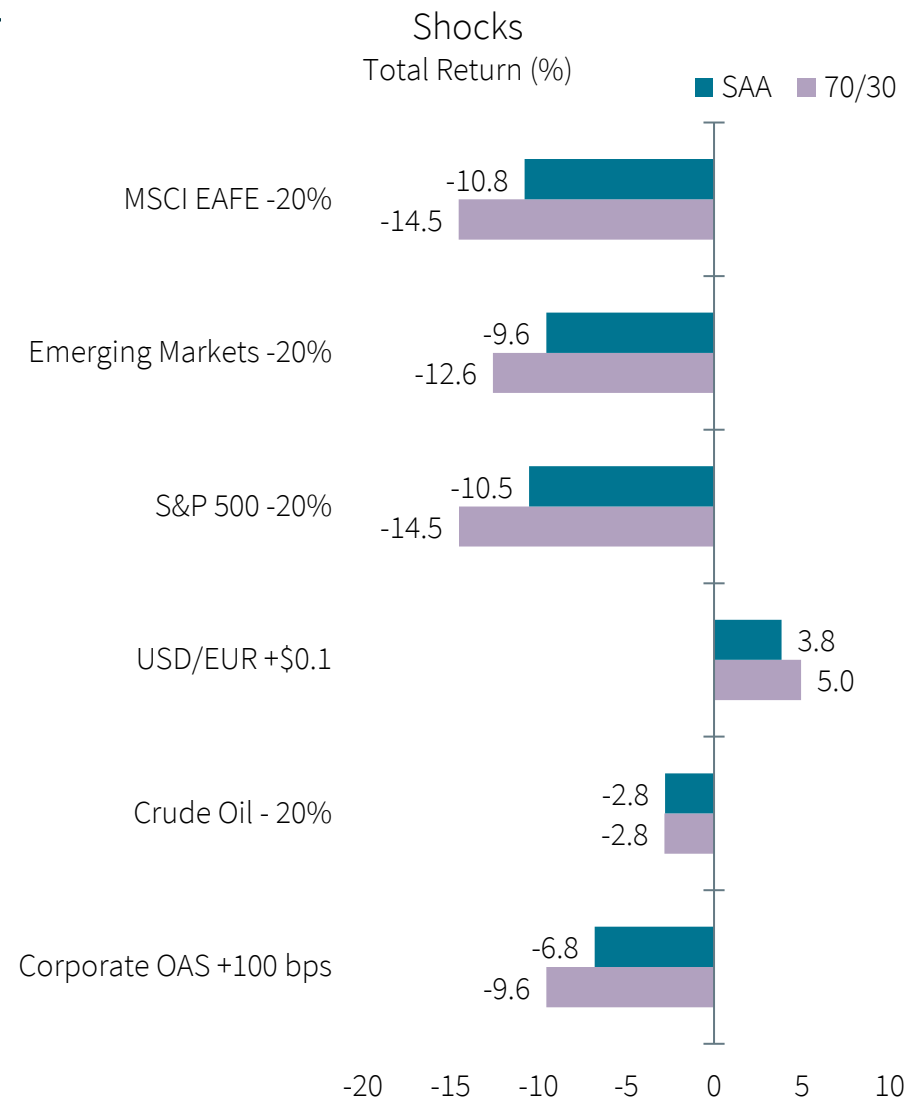
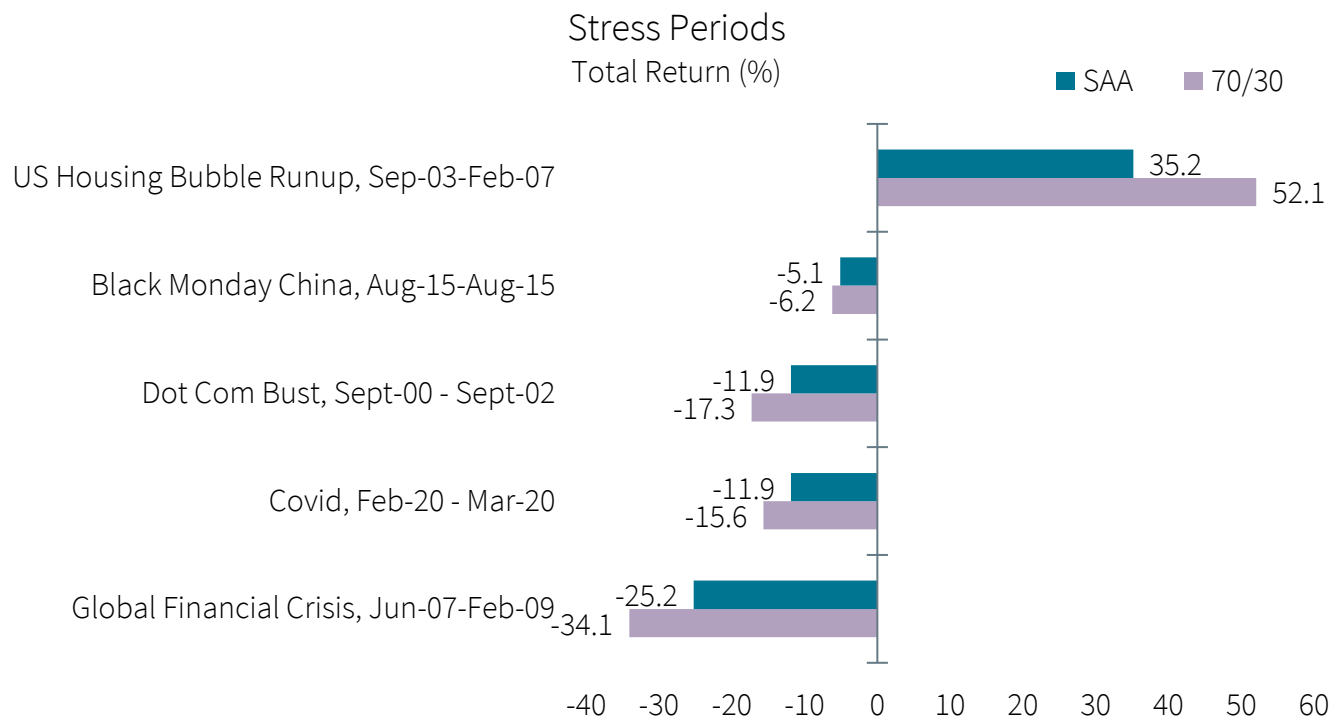


*Simulations run on RVK CMA assumptions

Systematic Shocks



- The Long-Term Target Allocation has lower drawdown risk than the 70/30 portfolio.
- The SAA's lower risk profile is due to diversification resulting in lower losses in negative periods and lower returns in positive periods.



*Systematic Shocks use a factor model and are measured in a quarterly periodicity

The long-term CPI assumption has remained at 2.5%, with the long-term target return at 7.5%.

- Expected geometric returns are near but fall short of the objective.
- Expected real returns are all above the 4% distribution rate.
- Expected volatilities are below the 70/30 risk limit.

SITFO is proposing no changes to the SAA.

Expected Return	Albourne		RVK	
	Arithmetic	Geometric	Arithmetic	Geometric
Nominal Expected Return	7.7	7.1	7.9	7.3
<i>CPI</i>	2.4	2.4	2.5	2.5
Real Expected Return	5.3	4.7	5.4	4.8
Target Real Return	5.0	5.0	5.0	5.0
Difference	0.3	-0.3	0.4	-0.2
At/Above Target Return	Yes	No	Yes	No
At/Above 4% Distribution	Yes	Yes	Yes	Yes

Expected Volatility	Albourne	RVK
CMA Forecasted Volatility	10.7	11.7
70/30 Limit	11.8	12.0
Difference	-1.1	-0.3
Forecast Volatility Below 70/30	Yes	Yes

*2.5% CPI is based on RVK CMA

Objective oriented and utility driven

- How does our liability structure impact liquidity?
- How much illiquidity can our portfolio afford?
- What portfolios produce high probabilities of meeting our return objective while minimizing drawdowns?

